

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2043-03  
Bill No.: HCS for HB 859  
Subject: Firearms and Fireworks; Licenses - Miscellaneous; Law Enforcement Officers and Agencies; Licenses - Driver's  
Type: Original  
Date: April 5, 2013

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Bill Summary: This proposal allows for conversion of concealed carry endorsements to concealed carry permits, eliminates concealed carry endorsements and replaces them with concealed carry permits.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$62,880)	(\$20,525)	(\$20,525)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$62,880)</b>	<b>(\$20,525)</b>	<b>(\$20,525)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Criminal Records	(\$150,000)	(\$10,250)	(\$10,506)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$150,000)</b>	<b>(\$10,250)</b>	<b>(\$10,506)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state currently, concealed carry weapon information is maintained by the Department of Revenue. The Missouri Uniform Law Enforcement System (MULES) is only a pass-through for the information. A database file would have to be developed by the Highway Patrol and the vendor, CPI, to be able to store the information in MULES and have it readily available upon request from law enforcement. This database would have to maintain information that shows compliance and also allow the sheriff's department to make status changes. The following is a breakdown of the changes and the resulting cost for the Patrol:

\$10,000 - Discovery and Design  
\$75,000 - Database Modifications and Reporting  
\$25,000 - Message Switch Modifications  
\$15,000 - Testing  
\$25,000 - Project Management  
\$150,000 - Total

The total cost to the Patrol's Criminal Records Fund is \$150,000 (\$10,000 + \$75,000 + \$25,000 + \$15,000 + \$25,000). There will be an annual maintenance cost of approximately \$7,500 for the database modifications and reporting and \$2,500 for the message switch modifications.

Officials from the **Office of the State Courts Administrator (CTS)** state the proposed legislation allows for conversion of concealed carry endorsements to concealed carry permits, eliminates concealed carry endorsements and replaces them with concealed carry permits.

There may be some, unquantifiable at this time, impact, in section 571.190 and 571.192. There could be a possible increase in criminal prosecutions for violations of the law, and an increase in small claims cases. We would not anticipate the increased volume of cases to significantly increase the workload of the state courts.

Officials from the **Department of Revenue (DOR)** state the proposal would require roughly **\$52,618** in programming expense in FY 2014.

DOR also estimates a potential loss of General Revenue collections due to the decrease in applicants for new, duplicate or renewal documents to add or retain a Concealed Carry Weapon (CCW) endorsement. It is assumed the majority of applicants would not apply for, or renew, the

ASSUMPTION (continued)

nondriver if the CCW endorsement was no longer a requirement since many applicants obtained the nondriver for CCW endorsement purposes only.

164,879 Total CCW holders on file as of 2/4/2013.

X 97% Percentage of CCW endorsement holders with an NDL versus a driver license.

159,933 are the estimated number applicants with an NDL assumed to be for CCW endorsement purposes.

$159,933 / 6 \text{ years} = 26,656$  estimated annual applicants for CCW endorsement on NDL.

26,656

x \$3 Fee for new or renewal nondriver with CCW.

$\$79,968 / 12 = 6,664 \times 6 \text{ months} = \$39,984$  estimated annual loss of General Revenue due to estimated reduction in NDL transactions from elimination of CCW endorsement for FY 14.

**\$79,968** estimated annual loss of General Revenue due to estimated reduction in NDL transactions from elimination of CCW endorsement for FY15, FY 16 and beyond.

Cost Avoidance (Savings)

26,656 - Estimated annual applicants for CCW endorsement on NDL.

x \$2.23 - Vendor cost per printed card.

$\$59,443 / 12 = \$4,954 \times 6 \text{ months} = \$29,722$  FY 14 cost avoidance calculated for 6 months due to the January 1, 2014 implementation date.

**\$59,443** is the estimated cost avoidance from no longer printing NDL with CCW endorsements in FY15 and FY16 and beyond.

License Office Impact

26,656

x \$2.50 Fee for new or renewal nondriver license with CCW endorsement.

$\$66,640 / 12 = \$5,553 \times 6 \text{ months} = \$33,320$  is the estimated FY 14 revenue loss from NDL transactions from elimination of CCW endorsement.

$\$66,640$  is the estimated annual loss of office processing fees to contract offices due to reduction in NDL transactions from elimination of CCW endorsement for FY 15 and FY 16 and beyond.

RS:LR:OD

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** state penalty provisions for violations, the component of the bill to have potential fiscal impact for DOC, is for a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY12 average of \$4.960 per offender, per day, or an annual cost of \$1,810 per offender).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of the State Public Defender** assume the proposal would not fiscally impact their agency.

In response to a previous version of the proposal, officials from the **Office of Prosecution Services** assumed the proposal would not fiscally impact their agency.

No sheriff's departments responded to **Oversight's** request for fiscal impact. Oversight notes that section 571.182 allows sheriffs to charge the following fees:

\$100 for processing an application (571.182.10)  
\$ 10 for processing a renewal (571.182.11) and  
\$ 10 for processing a conversion (571.182.10)

Deleted section 571.101 provided for the following fees:  
\$100 for processing an application (571.101.10); and  
\$ 50 for processing a renewal (571.101.11)

Proceeds collected from these fees are to be deposited into the county sheriff's revolving funds.

Subsection 571.180.2 states that after January 1, 2014 and prior to its expiration, any person who has a valid certificate of qualification for a concealed carry endorsement or a valid concealed carry endorsement may present their certificate of qualification for a concealed carry

ASSUMPTION (continued)

endorsement to their sheriff to have it converted to a concealed carry permit. Oversight will assume this will create some additional work for sheriffs; however, sheriffs are allowed to charge \$10 for processing this conversion. Oversight will assume this fee will cover any additional expenses incurred by the sheriffs.

**Oversight** will assume the reduction from the current \$50 renewal fee to the new \$10 renewal fee will result in an unknown loss of revenue to counties.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE</b>			
<u>Savings</u> - Department of Revenue			
From reduced number of NDL printed - savings of \$2.23 each	\$29,722	\$59,443	\$59,443
<u>Cost</u> - Department of Revenue			
Programming expense	(\$52,618)	\$0	\$0
<u>Loss</u> - Department of Revenue			
Reduction in NDL transactions from elimination of CCW endorsement	<u>(\$39,984)</u>	<u>(\$79,968)</u>	<u>(\$79,968)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$62,880)</u></b>	<b><u>(\$20,525)</u></b>	<b><u>(\$20,525)</u></b>
<b>CRIMINAL RECORDS FUND</b>			
<u>Costs</u> - Missouri Highway Patrol			
Programming expense	<u>(\$150,000)</u>	<u>(\$10,250)</u>	<u>(\$10,506)</u>
<b>ESTIMATED NET EFFECT TO THE CRIMINAL RECORDS FUND</b>	<b><u>(\$150,000)</u></b>	<b><u>(\$10,250)</u></b>	<b><u>(\$10,506)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>COUNTIES</b>			
<u>Income</u> - Sheriffs' Revolving Fund \$10 conversion fee allowed in §571.182.10	Unknown	\$0	\$0
<u>Loss</u> - Sheriff's Revolving Fund - renewal fee is \$50 under existing language; however it is reduced to \$10 under this substitute	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - Sheriffs for conversion to concealed carry permits	(Unknown)	\$0	\$0
<b>ESTIMATED NET EFFECT TO COUNTIES</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - Small Business

Fee offices which are small businesses could be affected by this proposal.

FISCAL DESCRIPTION

After January 1, 2014 and before it expires, any person who has a valid certificate of qualification for a concealed carry endorsement or a valid concealed carry endorsement may present it or his or her driver's or nondriver's license with an endorsement to the county sheriff where he or she resides to have it converted to a concealed carry permit. Beginning January 1, 2014, a sheriff cannot accept an application for or renew a certificate of qualification for a concealed carry endorsement and the Department of Revenue cannot accept an application for or issue or renew a driver's or nondriver's license with a concealed carry endorsement.

FISCAL DESCRIPTION (continued)

If an applicant for a concealed carry permit satisfies all the specified requirements, including an application using the approved form, training, and background check, the sheriff must issue a concealed carry permit. Any person who has been issued a concealed carry permit and it has not been suspended, revoked, canceled, or denied may carry concealed firearms on or about his or her person or within a vehicle. The permit will be valid for three years and is valid throughout the state.

Any person issued a concealed carry permit must carry the permit at all times he or she is carrying a concealed firearm and must display the permit upon the request of any peace officer. Failure to comply with this provision will not be a criminal offense, but the permit holder may be issued a citation for an amount of up to \$35.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety  
Department of Revenue  
Office of the State Courts Administrator  
Office of Prosecution Services  
Office of the State Public Defender  
Department of Corrections



Ross Strobe  
Acting Director  
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